



WILLIAM T FUJIOKA
Chief Executive Officer

County of Los Angeles CHIEF EXECUTIVE OFFICE

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March 11, 2008

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

**INTERNAL SERVICES DEPARTMENT:
REQUEST FOR APPROVAL TO PURCHASE COMPUTER EQUIPMENT
(ALL SUPERVISORIAL DISTRICTS) (3 VOTES)**

CIO RECOMMENDATION:
(X) APPROVE () APPROVE WITH MODIFICATION () DISAPPROVE

IT IS RECOMMENDED THAT YOUR BOARD:

Authorize the Internal Services Department (ISD) to purchase computer related equipment for a total expenditure of \$3,581,000.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

On an ongoing basis ISD acquires data processing equipment to meet the computer application and data storage needs of County departments. County policy requires Board approval of purchases when individual pieces of equipment exceed \$250,000.

This request is for approval to purchase seven new computer servers. The purchase and financed costs are estimated to total \$3,581,000.

- Five computer servers (\$2,407,000) will be purchased to handle the additional production capacity required for eCAPS Phase 3.
- Two computer servers (\$1,174,000) are needed to support DPSS applications.

Board of Supervisors
GLORIA MOLINA
First District

YVONNE B. BURKE
Second District

ZEV YAROSLAVSKY
Third District

DON KNABE
Fourth District

MICHAEL D. ANTONOVICH
Fifth District

The above costs have been budgeted. This letter is simply requesting Board approval to purchase items in excess of \$250,000.

Implementation of Strategic Plan Goals

The purchase of this computer equipment is necessary to meet the information technology requirements of the departments served by ISD and supports the County strategic goal for Organizational Effectiveness.

FISCAL IMPACT/FINANCING

There are no additional net County costs associated with this request. All costs are offset by billings to County departments. As indicated in the table below, some of the equipment will be purchased outright and some will be financed through the Los Angeles County Capital Asset Leasing Corporation (LAC-CAL).

Equipment	Purchase or Financed?	Term	Total Costs	Fiscal Year 07-08 Costs	Future Fiscal Year Costs
Computer Servers - eCAPS	Purchased		\$ 2,407,000	\$ 2,407,000	
Computer Servers - DPSS	Financed	3 years	\$ 1,174,000	\$ 65,200	\$ 1,108,800
Total			\$ 3,581,000	\$ 2,472,200	\$ 1,108,800

The Fiscal Year 2007-08 LAC-CAL budget approved by your Board includes the necessary equipment financing authorization. Sufficient appropriation is available in the Department's budget to fund the outright purchases and the projected Fiscal Year 2007-08 lease payments. The Department will request sufficient appropriation in future years as necessary to finance the portion of equipment that is long-term financed.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

This request complies with the County Equipment Policy that your Board approved on October 16, 2001. This policy requires that departments obtain Board approval to purchase or finance equipment with a unit cost of \$250,000 or greater.

CONTRACTING PROCESS

These equipment items are a commodity purchase under the statutory authority of the County Purchasing Agent. The purchase will be competitively bid by the Purchasing Agent in accordance with standard County purchasing policies and procedures.

The Honorable Board of Supervisors
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IMPACT ON CURRENT SERVICES (OR PROJECTS)

Your approval will ensure that ISD can acquire the resources necessary to operate County computer systems managed by the Internal Services Department.

CONCLUSION

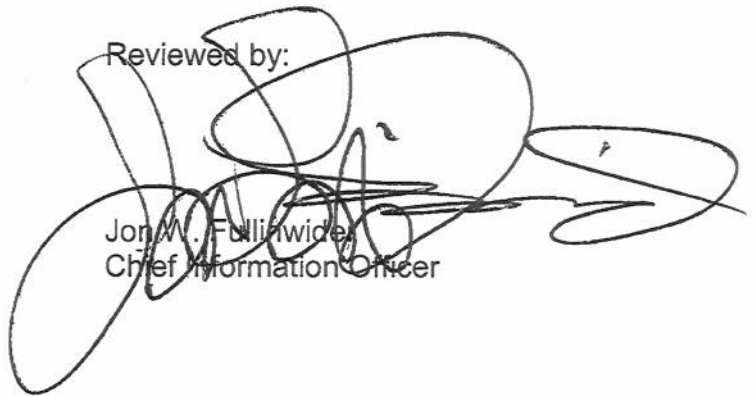
The Executive Office, Board of Supervisors, is requested to return one stamped copy of the approved Board letter to the Director, ISD.

Respectfully submitted,



WILLIAM T FUJIOKA
Chief Executive Officer

Reviewed by:



Jon W. Fullinwider
Chief Information Officer

WTF:LN:DC:TT:rl

Attachment

c: County Counsel
Auditor-Controller

CIO ANALYSIS

REQUEST TO PURCHASE COMPUTER SERVERS AND EQUIPMENT

CIO RECOMMENDATION: ☒ APPROVE ☐ APPROVE WITH MODIFICATION
☐ DISAPPROVE

Contract Type:

☐ New Contract ☐ Contract Amendment ☐ Contract Extension
☐ Sole Source Contract ☒ Hardware Acquisition ☐ Other

New/Revised Contract Term: Base Term: N/A Yrs # of Option Yrs _____

Contract Components:

☐ Software ☒ Hardware ☐ Telecommunications
☐ Professional Services

Project Executive Sponsor: Dave Lambertson, Director, ISD

Budget Information :

Y-T-D Contract Expenditures	\$ 0
Requested Contract Amount	\$ 3,581,000
Aggregate Contract Amount	\$ 3,581,000

Project Background:

Yes	No	Question
<input type="checkbox"/>	<input checked="" type="checkbox"/>	Is this project legislatively mandated?
<input type="checkbox"/>	<input checked="" type="checkbox"/>	Is this project subvented? If yes, what percentage is offset?
<input type="checkbox"/>	<input checked="" type="checkbox"/>	Is this project/application applicable to (shared use or interfaced) other departments? If yes, name the other department(s) involved.

Strategic Alignment:

Yes	No	Question
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Is this project in alignment with the County of Los Angeles Strategic Plan?
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Is this project consistent with the currently approved Department Business Automation Plan?
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Does the project's technology solution comply with County of Los Angeles IT Directions Document?
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Does the project technology solution comply with preferred County of Los Angeles IT Standards?
<input type="checkbox"/>	<input checked="" type="checkbox"/>	This contract and/or project and its milestone deliverables must be entered into the Information Technology Tracking System (ITTS).

Project/Contract Description:

The Internal Services Department (ISD) is requesting Board authorization to purchase seven computer servers to meet the operational requirements of new and existing applications hosted at ISD's Data Center in Downey.

Background:

Under this request, ISD will acquire seven computer servers. These include:

- Five computer servers to provide additional production capacity for eCAPS Phase 3 subprojects and continued growth in Phase 2 subprojects. Phase 3 subprojects include the migration of Department of Public Works Financial Accounting System into eCAPS financials and the countywide rollout of Time Collection. Phase 2 subprojects include countywide rollout of Procurement, Inventory and Grants modules.
- Two computer servers to support the migration of Department of Public Social Services (DPSS) applications to the ISD Data Center. The applications that will be migrated include the Oracle E-Business Suite, Collaboration Suite, Portal, custom Apex applications, and the LEADER Extract used to populate the DPSSMART data warehouse.

Project Justification/Benefits:

This purchase will include the proposed procurement of seven computer servers to meet the operational requirements of new and existing applications (described above) hosted at ISD's Data Center in Downey.

Project Metrics:

Successful completion will be achieved with the implementation and operation of the new servers.

Impact On Service Delivery Or Department Operations, If Proposal Is Not Approved:

Failure to acquire the equipment will seriously impact the eCAPS project and will hinder key County and department systems' ability to support user needs.

Alternatives Considered:

In order to ensure computability with their existing environment, ISD will purchase IBM hardware. The hardware is available from numerous distributors and all purchases will be competitively bid.

Project Risks:

Minimum risks exist for the installation of this equipment because it is compatible with existing servers.

Risk Mitigation Measures:

Purchasing equipment compatible with existing systems reduces the risks involved.

Financial Analysis:

ISD plans to acquire this computer hardware through a combination of a one-time purchase and debt financing. The table below details the total expected expenditure.

Description	Estimated Cost	Financing
eCAPS computer servers	\$ 2,407,000	Purchase
Other computer servers*	1,174,000	Debt financing
Total	\$ 3,581,000	

Explanatory Notes:

*Represents total cost of financing over a three-year term.

There are no additional net County costs associated with this request. All costs will be offset by billings to County departments.

CIO Concerns:

None.

CIO Recommendations:

Recommend Board authorization of this proposed procurement.

CIO APPROVAL

Date Received: January 24, 2008

Prepared by: Gene Franklin Sr.

Date: 2/2/2008

Approved: 

Date: 2/2/2008

Fact Sheet
Approve Purchase of Computer Equipment
Planned Agenda: March 4, 2008

Purpose: Authorize ISD to purchase computer server equipment to meet the requirements of the eCAPS Phase 3 project and DPSS applications support.

Background: ISD purchases data processing equipment to meet the computer application and data storage needs of County departments. Since the individual pieces of equipment associated with this purchase exceed \$250,000, County policy requires Board approval of the purchase.

eCAPS Phase 3 Project: Phase 3 of the eCAPS project was approved by the Board of Supervisors on December 19, 2006. Phase 3 includes replacement of the Public Works financial application and rollout of Time Collection countywide. Five computer servers will be purchased to handle the production capacity required for eCAPS Phase 3.

DPSS Applications Support: Two computer servers will be purchased to migrate DPSS applications to the ISD Data Center. The applications to be migrated include E-Business, Portal, and the application used to populate the DPSSMART data warehouse.

Fiscal Impact: There are no additional net County costs associated with this request. The cost of the eCAPS servers is \$2,407,000 and is included in ISD's FY2007-08 budget. These servers will be purchased outright. The DPSS applications support servers will be financed through the Los Angeles County Capital Asset Leasing Corporation. These servers are estimated to cost \$1,174,000. The first year financing cost of \$65,200 is also included in this year's ISD budget. The Department will request sufficient appropriation in future years to finance the remaining costs.

Procurement Process: These equipment items are a commodity purchase under the statutory authority of the County Purchasing Agent. The purchase will be competitively bid by the Purchasing Agent in accordance with standard County purchasing policies and procedures.

Energy and Environmental: These servers use half the energy to run the same workload run by servers purchased in 2004. This purchase will be our first to include the IBM System p Intelligent Power Distribution Unit. This system, in conjunction with IBM's Active Energy Manager, ensures energy efficient operation of these servers.

If you have any questions please contact Tom Tindall at 323-267-2103 or ttindall@isd.lacounty.gov.

February 11, 2008